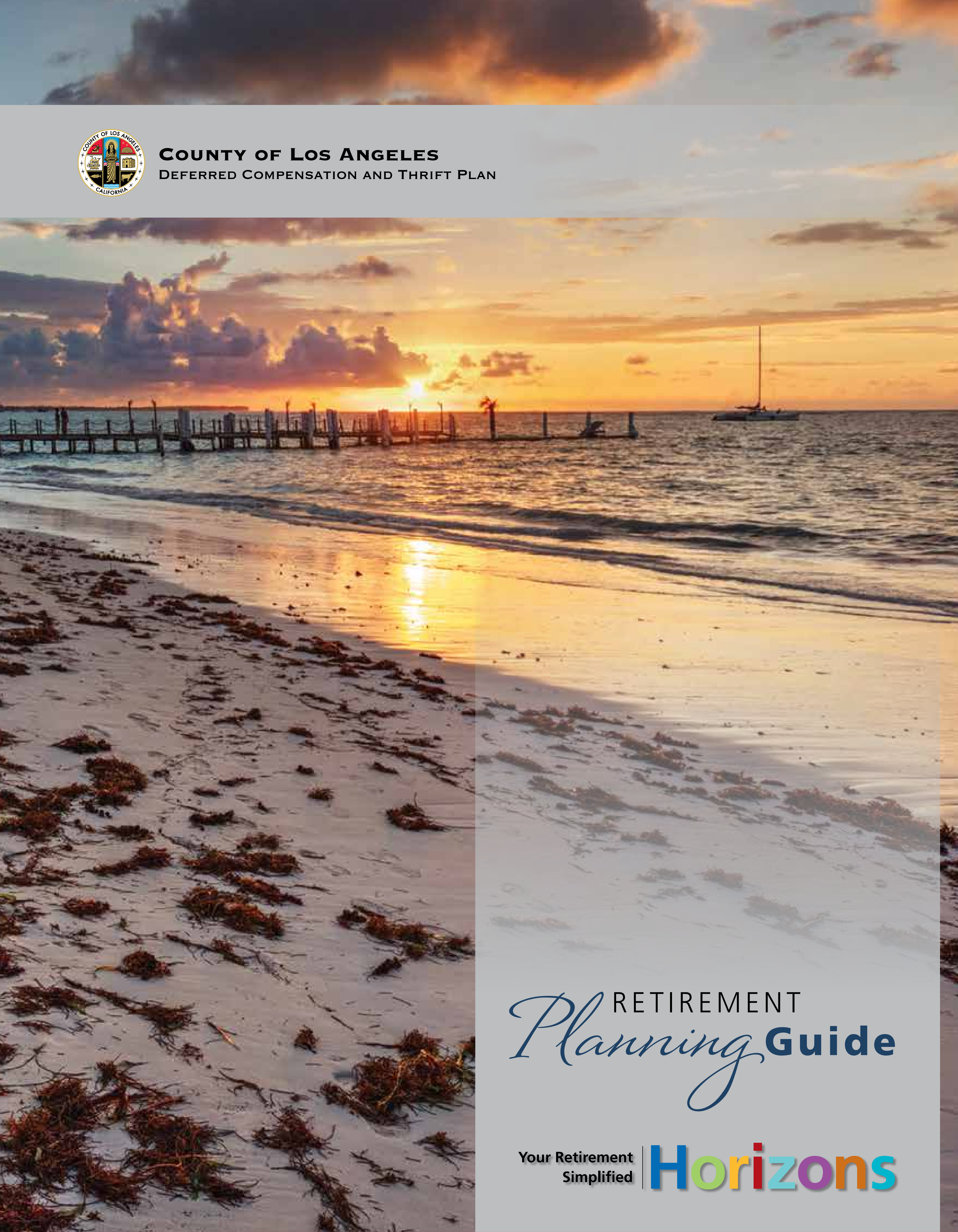


County of Los Angeles
Deferred Compensation and Thrift Plan

Retirement Planning Guide

Your Retirement Simplified | Horizons

Your Retirement Simplified | Horizons

Dear County of Los Angeles Employee:

Even for the most financially savvy among us, planning for retirement can raise so many difficult questions. How much should I save? How should I invest? How much retirement income will I need to live the way I want?

The County of Los Angeles Deferred Compensation and Thrift Plan, more commonly known as the Horizons Plan, can help you answer these questions by assisting you to prepare for your future in retirement. The Horizons Plan makes it simple to save more for the retirement income you may need to supplement your LACERA pension benefit. How?

- **FIRST,** it makes saving automatic. Your contributions are deducted directly from your paycheck.
- **SECOND,** it can help make it easier to save more than you could on your own. The County matches your contributions dollar for dollar, up to a maximum of 4% of your compensation each pay period, and your contributions can continue to grow on a tax-deferred basis until you take a withdrawal.
- **THIRD,** your Horizons Plan gives you a range of investment options to help you find the balance of risk and potential return that fits your goals — whether you are a confident investor or new to the world of investing.

Whatever your situation, planning for retirement doesn't have to be difficult. Your Horizons Plan makes it easier, which is why we call it *Your Retirement Simplified.*

We look forward to helping you reach your retirement income goals.

Sincerely,

The Horizons Plan Administrative Committee

Look for Retirement Rex to help guide you through your learning process and expand your knowledge with helpful retirement facts and savings tips.

Downtown Los Angeles

Three Simple Steps toward a

More Comfortable Retirement

Your Horizons Plan is designed to make it simple to save for retirement. It's up to you to ACT. Start with these three steps.

1. **A**nswer a few key questions
2. **C**onsider your investment options
3. **T**ake action

Answer a Few Key Questions

Your journey toward achieving the retirement you want starts with answering a few key questions about your goals and your approach to saving. But don't worry — even if you're new to saving and investing, this guide and the tools and resources available through the Horizons Plan can help you find the answers.

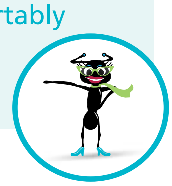
How much will you need?

Instead of approaching your retirement savings goal in terms of a lump sum that you need to build up, think in terms of how much income you may need each month when you retire. After all, you probably already think of your expenses like food, housing and insurance in monthly terms.

A portion of your income in retirement may come from your LACERA pension benefits. Some may come from Social Security benefits. But to replace at least 70% of your pre-retirement income that many experts estimate you will need in retirement, you may need to supplement these sources with your personal savings and investments, like the money you contribute through your Horizons Plan.

The Simple Facts on Retirement

Most financial advisors say you'll need about 70% of your pre-retirement earnings to comfortably maintain your pre-retirement standard of living.[1]



1 Source: Social Security Administration, https://www.ssa.gov/planners/retire/r&m6.html, 2017

There are several online retirement calculators on the Horizons website that can help you gauge how much you may need to save for retirement. You enter information about your current income and savings, and the calculator estimates whether you are on course to meeting your goals. It also helps you understand the impact of inflation and investment performance over time.

Look for a variety of online retirement calculators in the *Financial Planning Tools* tile on the Horizons website at **www.countyla.com**.

Catalina Island

The Simple Facts on Retirement

To support your efforts to save for retirement, the County will match your contributions dollar for dollar up to 4% of your regular earnings as defined by the Plan.

The combination of tax-deferred compounded growth potential and the County's matching contributions could help you save more over the long term than saving on your own through a taxable investment.[2]

How much should you save?

The answer to this question is different for everyone. To support your efforts to save for retirement, the County will match your contributions dollar for dollar up to 4% of your regular earnings as defined by the Plan. You may want to consider saving at least enough to earn the full matching contribution.

The more you save today, the greater the likelihood you will meet your future retirement income goals. Worried about the effect Horizons contributions have on your paycheck? Saving through your Horizons Plan may not affect your take-home pay as much as you think. This is because your Horizons contributions come out of your pay on a pretax basis, so you could actually lower the amount of taxes that are deducted from each paycheck. That means saving through Horizons may have less of an impact on your budget than trying to save an equivalent amount on your own through after-tax investing.

More detailed information, such as eligibility, contribution limits, and investment and distribution options can be found in the Plan Features and Highlights located in the front pocket of this guide.

The Contribution Calculator can help you understand how your contributions will affect your take-home pay. You can find the Contribution Calculator on the website at **www.countyla.com**. Click on *Resource Center*, then select *Planning Tools* and the *Contribution Calculator* link.


Malibu Beach

2 Assumes that the taxable account does not hold any investment for more than 12 months. Taxable investments held longer than 12 months may qualify for lower capital gains and/or qualified dividend tax rates, which may make the return on the taxable investments more favorable.

Piecing Together Your Retirement Income Picture

How does your retirement income picture look? For most people, the picture is actually a collage made up of several parts that can include LACERA pension benefits, wages from a part-time job, personal savings — and your Horizons account. When you contribute to the Horizons Plan, you'll have access to a range of planning tools and educational resources. These tools can help you understand how your multiple retirement income sources can work together to bring the retirement you envision into clear focus.

Consider Some Advantages of

Saving through Your Horizons Plan

Why is saving through Horizons different from saving on your own?

Reason #1: The 4% matching contribution from the County

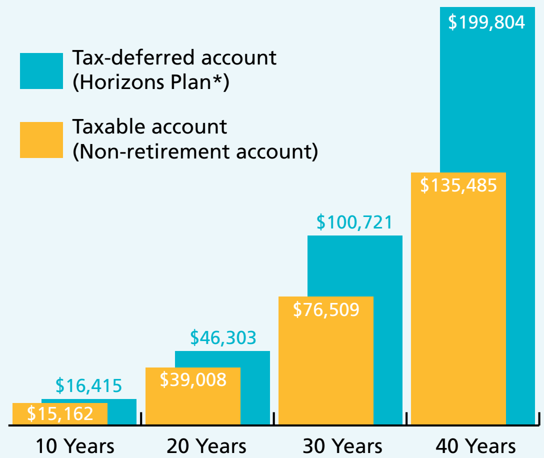
We've already discussed how the County will match your contributions up to a maximum of 4% of your compensation. This means you can double the amount you save — when you save up to 4% of your compensation — the moment you make your contribution. In addition, your Horizons account also gives you the potential for tax-deferred compounded growth. When you save through Horizons, your contributions come out of your pretax income.

Make the most of the County match. A quick way to find out if you're receiving the full County match is to look at your 15th-of-the-month paycheck. If the amount of your Horizons contribution and the County's matching contribution are the same, you may not be receiving the full match. Your contribution should generally be a little higher than the County's matching contribution. To ensure you receive the full County match, visit the website at **www.countyla.com** to use the Contribution Calculator. Log in to your account, click on the *Financial Planning Tools* tile and then click on the *Contribution Calculator* link. Or contact an Empower Retirement counselor at (800) 947-0845.

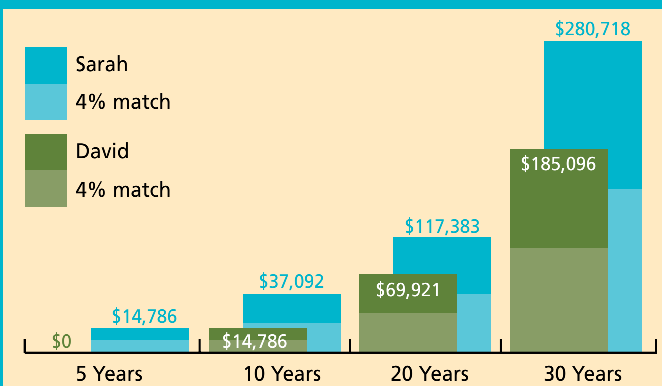
Reason #2: The potential for tax-deferred compounded growth that you may not get by saving on your own on an after-tax basis

Any investment earnings your contributions generate are reinvested in your Horizons account. As a result, taxes on those earnings are deferred until you take a withdrawal. That means more of your money can stay invested in your account and keep working for you for a longer period of time. With taxable investments, you could owe taxes each year on any earnings you receive.

What can tax-deferred compounded growth mean for your retirement nest egg? This graph shows how a semi-monthly contribution of $50 could grow in your tax-deferred Horizons Plan compared to the same amount deposited in a taxable investment, such as a retail mutual fund. Over a 40-year period, the potential difference could amount to more than $64,300!



FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is intended to show a comparison between investing in a tax-deferred versus a taxable investment vehicle. It is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% annual rate of return, a 25% federal income tax bracket, and reinvestment of earnings with no withdrawals. Rates of return may vary. Distributions from a tax-deferred retirement plan may be taxable as ordinary income. Assumes that the taxable account does not hold any investment for more than 12 months. Taxable investments held longer than 12 months may qualify for lower capital gains and/or qualified dividend tax rates, which may make the return on the taxable investments more favorable, thereby reducing the difference in performance between the accounts shown. The illustration does not reflect any associated charges, expenses or fees. The tax-deferred accumulation shown would be reduced if these fees were deducted.
* Please note: This illustration does not include the County's 4% match.



Why save now?

Waiting to save and invest through Horizons could cost you money in the long run.

Consider the following example. Sarah and David each earn $30,000 annually working for the County. They also both plan to retire in 30 years. Sarah starts contributing 4% of her salary ($50 per paycheck) to Horizons immediately and receives the County's 4% matching contribution. David decides to wait five years before starting to save. Waiting could potentially cost David nearly $100,000 in 30 years.

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical example assumes a $30,000 annual salary that increases 3% per year, an employee contribution of 4% and a County-matching contribution of 4% each paycheck (semi-monthly), a hypothetical 6% annual rate of return, compounded monthly, and no withdrawals. Rates of return may vary. The illustration does not reflect any charges, expenses or fees that may be associated with your Plan. The tax-deferred accumulation shown above would be reduced if these fees were deducted.

Consider Your Investment Options

One of the keys to understanding the investment options available to you is deciding how you want to invest. With the Horizons Plan, you have a choice of approaches to investing: the **SIMPLIFIED ROUTE** or the **ADVANCED ROUTE**. The investment option(s) you choose will depend on which route you prefer.

Simplified Route

If you decide on the Simplified Route, you choose the Target Date Fund that most closely matches your projected retirement year (which is calculated using your year of birth and expected retirement age). With each Target Date Fund, you get a professionally selected, diversified portfolio in a single investment option. Each Target Date Fund features an investment mix that gradually changes and becomes more conservative as it approaches the target retirement date. The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal. For more information, please refer to the fund disclosure document.

Advanced Route

If you choose the Advanced Route, you create and manage an investment portfolio yourself using the Horizons Plan investment options in various asset classes.

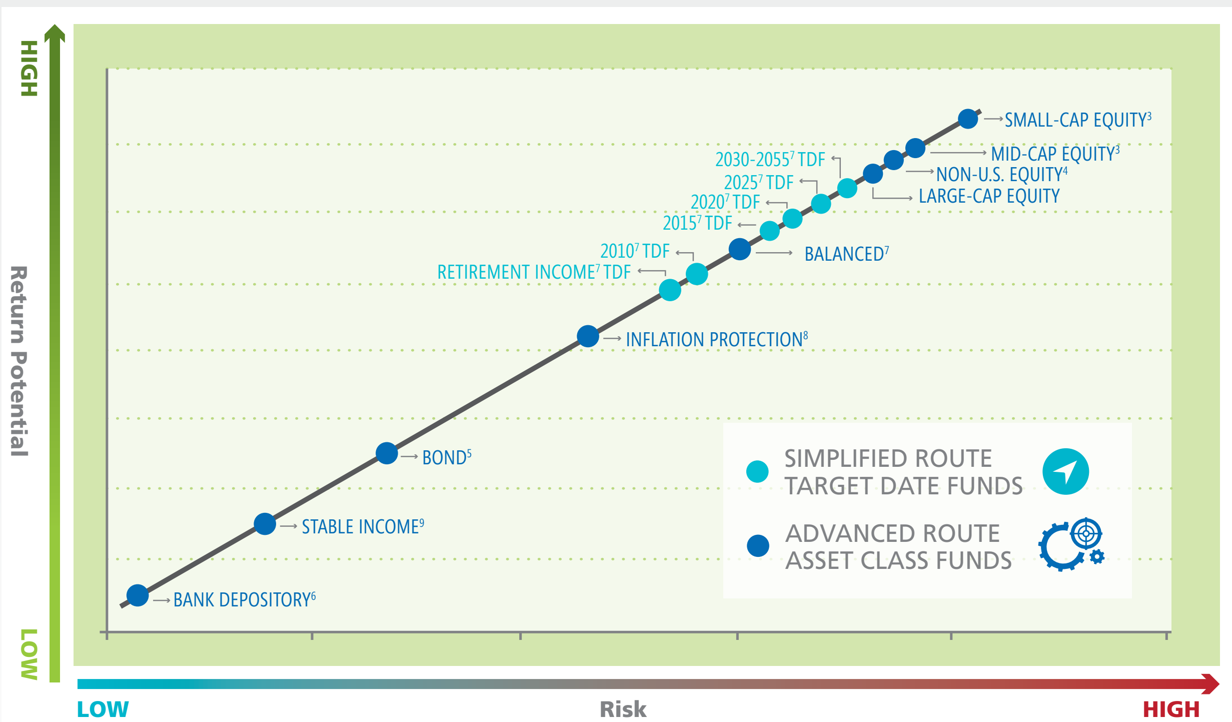
The Self-Directed Brokerage Account Option

If you're a confident investor and want to pick investment options outside of the Horizons core investment menu, you can use the self-directed brokerage account offered through Charles Schwab's Personal Choice Retirement Account® (PCRA). The PCRA allows you to select from numerous mutual funds and other types of securities, such as stocks and bonds listed on a major exchange. The PCRA is designed to extend beyond your "core" investments in Horizons, which include Horizons Target Date Funds and Asset Class Funds. Remember, the PCRA is for knowledgeable and experienced investors who understand the risks associated with the investment choices available through the PCRA.

There is a $50 annual administrative fee to participate in the self-directed brokerage account. This fee is deducted from your core investment options pro rata on a quarterly basis. PCRA transactional fees and restrictions may also apply. More information is available at **www.countyla.com**.

To participate in the PCRA, you must maintain a minimum balance of $25,000 in your core investment options.

Your Horizons Plan Core Investment Option Lineup at a Glance



This graph is intended to show generally the anticipated relationship between various asset classes and the corresponding funds within each asset class available through your plan. Please note this is not intended to predict an actual level of return or risk for these funds. The historical returns and risk for these funds may vary significantly from the linear relationship represented above. Please refer to the funds' prospectuses and shareholder report for actual return information.

3 Equity securities of small and medium-size companies may be more volatile than securities of larger, more established companies.
4 Foreign investments involve special risks, including currency fluctuations and political developments.
5 A bond fund's yield, share price and total return change daily and are based on changes in interest rates, market conditions, economic and political news, and the quality and maturity of its investments. In general, bond prices fall when interest rates rise and vice versa.
6 Assets invested in the Bank Depository Fund are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Any amount over $250,000 will be collateralized at a rate not less than 110%.
7 Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.
8 Certain underlying funds invest in inflation protected bonds ("TIPS"). Unlike conventional bonds, the principal or interest of TIPS is adjusted periodically to a specified rate of inflation (e.g., Consumer Price Index for all Urban Consumers [CPI-U]). There can be no assurance that the inflation index used will accurately measure the actual rate of inflation.
9 The Stable Income fund is not federally guaranteed and may lose value. Stable Value (Asset) funds have interest rate, inflation and credit risks that are associated with the underlying assets owned by the fund. The strength of the "wrap contract" is dependent on the financial strength of the financial institutions issuing the contracts.

Taking a Look at

Horizons Core Investments

The Simplified Route – Target Date Funds

If you are new to investing or are not interested in actively managing your investment portfolio, you might consider a Horizons Target Date Fund (TDF). The TDFs give you a diversified portfolio that leaves the rebalancing decisions and monitoring to the investment professionals.[10]

TDFs are designed to help you manage investment risk by adjusting your asset allocation (the mix of stocks, bonds and other investments in your investment portfolio) automatically as you approach retirement. As a general rule, your asset allocation should become gradually more conservative as you near retirement. Horizons TDFs will adjust to a more conservative asset allocation automatically as you approach your retirement year.[11]

Choosing an Age-appropriate TDF

Choosing the age-appropriate TDF is simple. Since all of the TDFs assume a retirement age of 62, simply refer to the TDF Chart and consider selecting the TDF that corresponds to your year of birth. If you plan to retire at an age other than 62, just add your estimated retirement age to your year of birth. For example, if Bob plans to retire at age 60 and was born in 1969, the calculation would be: 60 + 1969 = 2029. Bob would then pick the Horizons TDF with the year that is closest to his result. In our example, Bob would choose the Horizons 2030 Target Date Fund.

If you choose a fund with a date that is much later than your planned retirement date, you may be investing too aggressively. If you choose a fund with a date that is much earlier than your planned retirement date, you may be investing too conservatively. Refer to the TDF Chart or perform the simple calculation referenced above to help you decide which TDF most closely matches your expected retirement date.

10 Professional management cannot guarantee or assure that the investor will achieve their financial goals.
11 Rebalancing and asset allocation does not ensure a profit and does not protect against loss in declining markets.

TDF Chart

If your date of birth is:		The age-appropriate TDF could be:
1945 and before	=	Retirement Income Fund
From 1946 through 1950	=	2010
From 1951 through 1955	=	2015
From 1956 through 1960	=	2020
From 1961 through 1965	=	2025
From 1966 through 1970	=	2030
From 1971 through 1975	=	2035
From 1976 through 1980	=	2040
From 1981 through 1985	=	2045
From 1986 through 1990	=	2050
From 1991 through today	=	2055

The chart is intended only as a guide based on the overall design of the funds. It is not intended as financial planning or investment advice. Please consult with your financial planner or investment advisor as needed.

For more detailed information about the TDFs, please visit the website at **www.countyla.com** and click on the ***Horizons*** tab and the *Investment Information* link.

Online educational resources about the TDFs are available at **www.countyla.com**. Log in to your account to access the following tools:

ONLINE TARGET DATE FUND CALCULATOR - Click on the *Financial Planning Tools* tile and then *Target Date Fund Calculator* to find out which TDF may be appropriate for you.

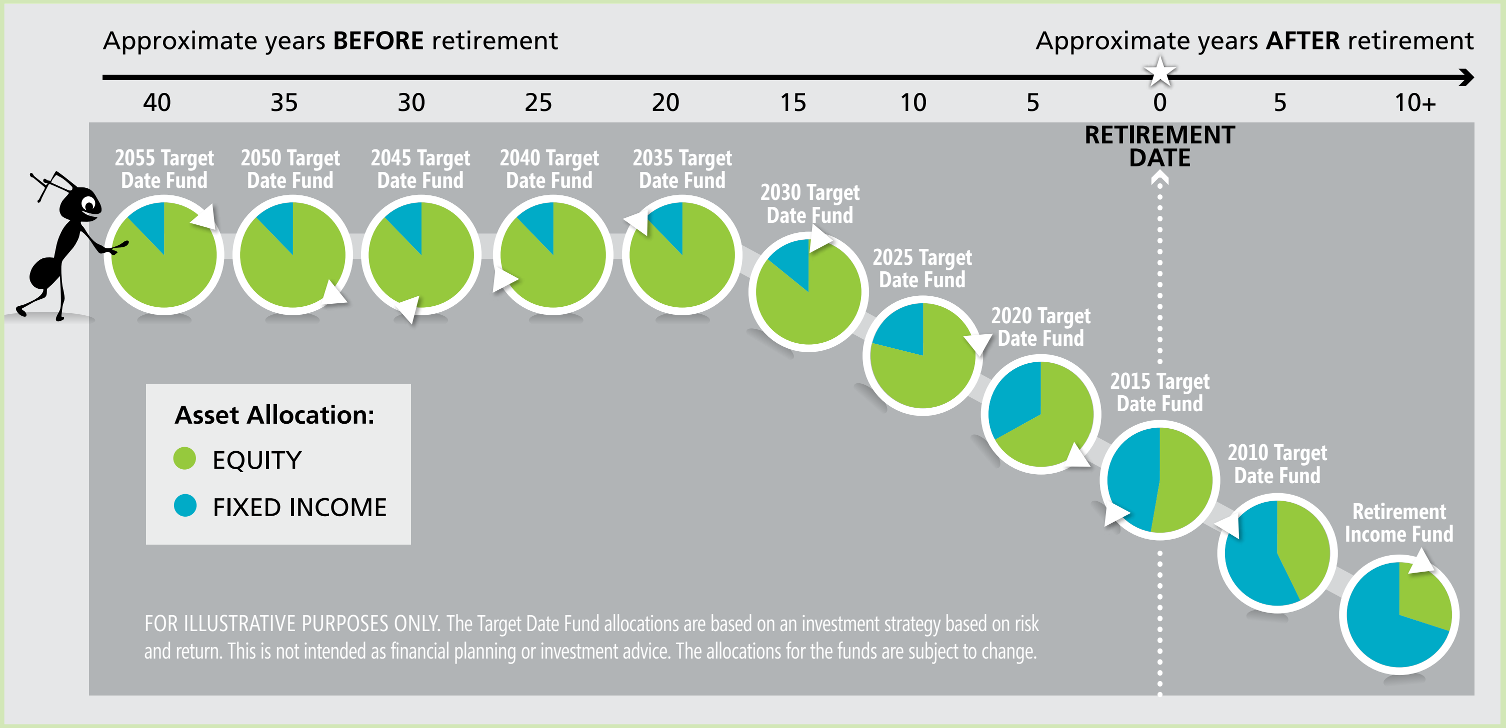
E-LEARNING SEMINAR - Learn more about the County's professionally managed custom TDFs by clicking on the *Education* tile and then *Target Date Fund Seminar*.

The Evolving Asset Allocation within TDFs: *Helping You Manage Investment Risk*

The chart on the next page shows how the asset allocation of a Horizons TDF changes prior to and following a specific target date (which roughly corresponds with the investor's retirement date). When the target date is years away, the mix of investment options is likely to be more aggressive, with a higher percentage of equities.

As the target date approaches, the mix of investment options gradually becomes more conservative, with a greater percentage of fixed-income and alternative investments. The mix continues to evolve toward a more conservative allocation until 10 years after the target date, when the fund eventually merges with the Horizons Retirement Income Fund. This gradual shift in asset allocation is intended to help you manage investment risk over time.

THE SIMPLIFIED ROUTE – TARGET DATE FUNDS CONTINUED



The Advanced Route – Asset Class Funds

If you are comfortable with creating and managing your own investment portfolio, the Horizons Plan also offers a variety of investment options in various asset classes.

Each asset class option is made up of one or more funds, managed by one or more fund managers, and generally includes a mix of different investment styles.

The various styles of the underlying fund managers contribute to the overall performance of the Asset Class Fund, and allocations will automatically rebalance in accordance with the Horizons Investment Policy. Rebalancing investment assets at regular intervals helps the fund stay true to its objectives.[11]

*Please consider the investment objectives and risks, as well as fees and expenses, carefully before investing. For this and other important information, you may obtain fund fact sheets and disclosure documents from your registered representative at (800) 947-0845 or through the website at **www.countyla.com**. Read them carefully before investing.*

For more detailed information about the Asset Class Funds, please visit the website at **www.countyla.com** and click on the Horizons tab and the *Investment Information* link.

Learn more about investing by accessing e-Learning seminars online. Visit the website at **www.countyla.com** and click on the Horizons tab. Next, click on *Resource Center* and then select *eLearning*.

Take Action

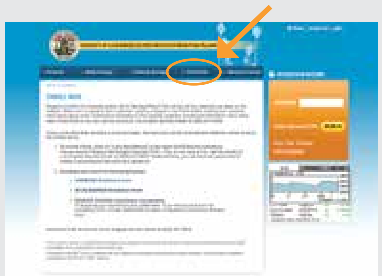
You have answered the key questions about your retirement goals. You have considered the investment options available through the Horizons Plan. Now it's time to take action and put your plan into motion by enrolling in Horizons.

With Horizons, the enrollment process couldn't be easier. You have your choice of enrollment methods: online or via the printed forms included in this guide.


Griffith Observatory

ONLINE

- **You will need a Personal Identification Number (PIN)[12] to enroll online.** If you do not have a PIN, call the County of Los Angeles Service Center at (800) 947-0845. While enrolling, you will have the opportunity to create a personalized username and password.


FOR ILLUSTRATIVE PURPOSES ONLY.

- To enroll online, visit the Horizons website at **www.countyla.com** and click on the ***Enroll Now*** option in the main menu.
- **Designate your beneficiary(ies).** This can be done online during the enrollment process. Please note, if you are married and designate someone other than or in addition to your spouse as your primary beneficiary, you must submit your beneficiary designation in writing by completing the beneficiary forms located in the back pocket of this guide. Completed forms can be submitted to Empower Retirement as indicated on the form.

PRINTED FORM

- Complete the enrollment and beneficiary forms located in the back pocket of this guide and drop them in the mail. Or you can fax the forms to (866) 745-5766.

Any contribution that you make to your Horizons Plan is automatically deducted from your paycheck on the 15th and 30th of each month.

The Horizons Website — www.countyla.com

Visit the Horizons website to access planning tools, research investment options, change your contribution rate, transfer money among investments or change the way your payroll contributions are invested.[12]

The County of Los Angeles Service Center — (800) 947-0845

Want to speak directly with a Plan representative? Call the Empower Retirement service center for answers to your questions about the Horizons Plan and your account. Representatives are available Monday through Friday from 7:00 a.m. to 5:00 p.m. Pacific Time.[13]

Congratulations — and welcome to Your Retirement Simplified.

12 The account owner is responsible for keeping the assigned PIN confidential. Please contact Empower Retirement immediately if you suspect any unauthorized use.

13 Representatives of Empower Retirement do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing. Please consult with your investment advisor, attorney and/or tax advisor as needed.

Don’t wait to get started building your retirement future. It couldn’t be simpler.

Just follow these easy steps:

1. Go to the *Financial Planning Tools* section of the Horizons website: **www.countyla.com**.
2. Use the Contribution Calculator to see how much you should save. Remember to at least save enough to receive the full 4% County-matching contribution.
3. Make your decision about how much you want to save. Remember to consider saving enough to receive the full 4% County-matching contribution.
4. Enroll right away!

You’ll be glad you took time today to work toward your retirement income goal.

Glossary of terms continued

Normal Retirement Age

Normal Retirement Age (“NRA,” applicable to Horizons) is defined by the Plan Documents as follows.

LACERA Plan	Earliest NRA Under the Horizons Plan	Earliest Age for Catch-Up (Three Years Prior to NRA)
All Sheriff and Fire Department Employees	40	The year you turn 37
Other Safety Member Plan A&B (those not employed by Sheriff or Fire Department)	55	The year you turn 52
Other Safety Member Plan C (those not employed by Sheriff or Fire Department)	57	The year you turn 54
General Member Plan A (except Sheriff and Fire Department employees)	62	The year you turn 59
General Member Plan B to G (except Sheriff and Fire Department employees)	65	The year you turn 62

This material has been prepared for informational and educational purposes only. It is not intended to provide, and should not be relied upon for, investment, accounting, legal or tax advice.

Investment options and their underlying funds have been selected by the Plan Administrative Committee. Core securities are offered through GWFS Equities, Inc., Member FINRA/SIPC.

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Malibu Beach, CA